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SIMMERSBACH, O. *Die Bedeutung der Eisenindustrie in volkswirtschaftlicher und technischer Hinsicht.* Sammlung berg- und hüttenmännischer Abhandlungen, No. 70. (Kattowitz: Gebrüder Böhm. 1911. Pp. 19. 1.20 m.)

SIMMERSBACH, O. *Die Begründung der oberschlesischen Eisenindustrie unter Preussens Königen.* (Kattowitz: Gebrüder Böhm. 1911. Pp. 41. 2 m.)

WESTENBERGER, B. E. *Holzspielwarenindustrie im sächsischen Erzgebirge unter besonderer Berücksichtigung der Hausindustrie.* (Leipzig: O. Wigand. 1911. Pp. 149. 3 m.)

Transportation and Communication

Railway Rate Theories of the Interstate Commerce Commission.

By M. B. HAMMOND. (Cambridge: Harvard University. 1911. Pp. vi, 200. \$1.00.)

This excellent little book is a reprint of articles contributed to the "Quarterly Journal of Economics" in 1910 and 1911. The aim of the author is to arrive at a complete theory of rate-making through an "inductive study" of the principles and tests employed by the Interstate Commerce Commission in its regulation of rates. The work is based on a careful examination of 135 leading cases settled between 1887 and 1906. Beginning with the approval given to the "value of service" theory in the first report of the commission, the author shows that in fact the commission has not found it possible to fix rates on so vague a principle, but that it has in its decisions set up several more definite standards, namely, value of commodity, cost of service, distance, natural advantages of location, competition, fair return on investment, and class and sectional interests. These the author considers separately, showing by analysis of illustrative cases how each has been employed in the adjustment of rates. His discussion of these points is most admirable. He then points out, with perhaps a little exaggeration, the extent to which these various tests, with the exception of the last, are simply expressions in differing forms of the cost principle, and declares his conviction that "the tendency of the Interstate Commerce Commission's decisions is, on the whole, towards a cost-of-service theory of rate-making." He concludes by formulating, in eight propositions, a "comprehensive theory of rate-making" resting upon the cost doctrine as its fundamental basis.

Some of the readers of this book will not indorse unqualifiedly this theory of rates, nor will they sympathize fully with the author's fondness for the cost-of-service principle. To them it may seem that he ignores the broader aspects of the railway problem,—that he fails to consider many of the excellent opportunities for the promotion of economic, political and social welfare which may be realized through the fixing of transportation rates. But whatever the reader's view upon that point may be, he cannot fail to recognize the substantial merits of the work, which is an exceptionally valuable addition to the literature of the railway problem.

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Problems in Railway Regulation. By HENRY S. HAINES. (New York: The Macmillan Company. 1911. Pp. 582. \$1.75.)

This is a thoughtful attempt to analyze the present tendencies of railway regulation in the United States. A semblance of perspective is given by the inclusion of loosely knit material on the history of transportation. It cannot be called a scholarly work, however, and evidences of a desire of book manufacture are abundant. There is, moreover, a lively attitude of defense against the regulatory encroachments of the Interstate Commerce Commission, and a certain hesitancy to express judgment at points—which one is not sure may not result from a desire to preach by implication rather than from scholarly modesty—both of which show bias in favor of a mere let-alone policy.

The book begins with a fair sketch of railway history, in which financial and traffic conditions are interestingly correlated with regulatory policies. The chapter on recent railway regulation might have been combined with the one on problems of rate-making with advantage in conciseness. In the rather ill-digested chapter on "Problems in Finance," the author assumes on pretty slight grounds that United States railways are not overcapitalized, and concludes that the great majority of dividends are reasonable for the reason, apparently, that most are under 8 per cent on the capital stock! He seems to believe that the federal government cannot control capitalization; and the chapter is an attempt to set forth a mass of legal and